

PROCEDURES IN THE EVENT OF A LOSS

I. PROTECT PROPERTY

Protect the property from further damage using reasonable care as economically as possible. Save all receipts for materials used to protect property.

II. NOTIFICATION/REPORTING

- A. Notify the State Fire Marshal if loss is due to a fire and/or a fire alarm system is disabled.
- B. Notify the Fund Administrator immediately - (850) 413-4767 or Suncom 293-4767, in the event of fire and/or lightning losses.
- C. Prepare Form DI4-854, Notice of Property Loss. A separate form is required for each location involved. **This form must be received by the Division of Risk Management within ninety (90) days of the date of loss. Do not wait for all documentation before submitting this form.**

III. CLAIM DOCUMENTATION

- A. Documentation - All Claims
 - 1. Completed Notice of Property Loss (Form DI4-854). A separate form is required for each location involved. **This form must be received by the Division of Risk Management within ninety (90) days of the date of loss.**
 - 2. If loss is due to lightning, Completed Statement - Lightning Losses (Form DI4-855). A separate form is required for each location involved. Please provide a complete and detailed description of the events surrounding the loss and all items damaged by lightning. An original signature is required on this document.
 - 3. Invoices from vendors showing the items purchased, quantity, unit price and total. When materials and labor are included on the same invoice, a breakdown of those charges is necessary. In addition, please identify the applicable building number on each invoice.
 - 4. Purchase Orders which were issued to vendors. Please identify the applicable building number on each Purchase Order.
 - 5. Comptroller's Payment Register or Voucher Schedule highlighting the amount actually paid to the vendor.
 - 6. Explanation of parts damaged and their function.

7. Description of items damaged, including number of units, original acquisition date and cost, and condition of items prior to the loss. If available, provide the cost to replace the damaged items with those of like kind and quality.

B. Buildings

1. Should an agency bid for repair work, a copy of the bid specifications may be requested. A copy of the bid tabulation sheet and bid sheet for the successful bidder is required. In addition, the successful bid must be itemized to show the amount of materials and the amount of labor. The final repair invoice (including actual breakdown of materials and labor) must be submitted along with a purchase order and Comptroller's Payment Register or Voucher Schedule to document your claim.
2. Should the building be a total loss, it shall be inspected and the approximate actual cash value evaluated. Should the building be insured for less than the actual cash value, only the limit of insurance will be paid. Should the building be insured for more than the actual cash value, only the actual cash value will be paid.
3. Repairs made by agency personnel shall be reimbursed for the material cost only. However, agency labor may be paid only if overtime is incurred due to repairs being made or if such repairs or maintenance are not within the normal scope of the employees' duties. In this case, the agency must provide time sheets for each employee showing the hourly wage and reason for overtime, and an explanation of the actual work performed.
4. Should the building not be replaced nor alternate space constructed, no payment shall be made other than to pay for demolition and cleanup from the loss. Should alternate space be constructed, it must house the functions originally housed in the destroyed building and it must be constructed in the local vicinity of the original structure.
5. Should the damage require roofing repairs or replacement, provide the total square footage of the roof and the square footage of the portion repaired or replaced.

C. Contents

1. Should items with values over \$500 be damaged, a Samas Inventory List should be provided showing the item number, description, original acquisition cost and date, and condition of property prior to loss.
2. Should items with values under \$500 be damaged, an Actual Cash Value Worksheet (see Forms section) should be provided showing the item description, number of units, original acquisition date and cost, and condition of property prior to loss.
3. In addition to Invoices, Purchase Orders and Comptroller's Payment Registers or Voucher Schedules submitted, a reference must be made to the appropriate items on the Samas Inventory List and/or the ACV Worksheet. Without this information, it is impossible to determine which new items replaced which damaged items.

D. Additional Documentation

1. As soon as conditions allow, a thorough documentation of the building and contents damage should be accomplished using still photos in as large a format as feasible. Videotaping is also useful, however, please use adequate natural or artificial lighting and pan very slowly across all portions or typical examples of the damage. In either case, provide as many angles and perspectives as possible. It is very important to document the damage prior to any emergency repairs or coverup.

In the event your damage is a portion of a widespread incident, such as a hurricane or flooding, an inspection team may not have an opportunity to inspect your damage for several days or even weeks and emergency repairs or coverup may be necessary to avoid additional damage from exposure to the elements. When emergency repairs or temporary coverups, such as roofing, is done as a protective action for building security or to prevent further damage from natural elements, photographic documentation of these temporary repairs is very useful in conveying the full extent of the damage.

IV. CLAIMS SETTLEMENT

- A. Once all appropriate information is received, a Claim Summary is prepared by the Fund. This Summary lists all items which are eligible for payment. The total amount of the claim is calculated as follows:

Replacement Cost - Depreciation/Betterment - Deductible =

Total Payable at ACV

- B. If at the time of loss (partial loss only) it is determined that the limits of insurance carried are less than those required by the Coinsurance Clause, the loss recovery will be limited to that same percentage of loss as the ratio of the insurance amount carried to the insurance amount required. The Fund has an 80% insurance to value requirement.

Example: The total value at the insured location is \$100,000 and a loss in the amount of \$30,000 occurs while the values reported for coverage was \$60,000. The Fund has an 80% insurance to value requirement which means the insured agency must have \$80,000 minimum coverage. In this case, the \$60,000 is only 75% of the required \$80,000 minimum coverage (\$60,000 divided by \$80,000 = 75%). Therefore, the Fund would only pay 75% of the loss, or \$22,500, and the agency would be responsible for the remaining \$7,500.

- C. Once the Claim Summary has been approved by the Bureau Chief, Property, Financial and Risk Services, a Certificate of Proof of Loss (Form DI4-856) is prepared by the Fund and forwarded to the agency along with a copy of the Claim Summary. The agency executes three copies of the Certificate of Proof of Loss, two of which are returned to the Fund. Once received, the Fund will proceed to transfer the appropriate funds to the agency's Replacement Trust Fund Account. The Fund will send notification once the funds have been transferred. At that time, the agency must transfer the funds from the Replacement Trust Fund Account into the appropriate operations account. Unspent funds will revert to General Revenue at the end of the fiscal year.